

## **EXHIBIT B-1**

### **NORTHWEST PLANNING AREA** **LEASE STIPULATIONS:**

**NOTE:** With the exception of the site-specific stipulations identified under Section K., below, all of the stipulations listed herein are applicable to all lands to be leased within the Northwest Planning Area and the Northwest Planning Area portions of the Northwest / Northeast combined tracts, and will be attached to and made a part of each such lease.

#### **D. Oil and Gas Exploratory Drilling**

##### **D-1 Lease Stipulation**

**Objectives:** Protect fish-bearing rivers, streams and lakes from blowouts, and minimize alteration of riparian habitat.

**Requirement/Standard:** Exploratory drilling is prohibited in rivers and streams, as determined by the active floodplain, and fish-bearing lakes, except where the lessee can demonstrate on a site specific basis that impacts would be minimal or it is determined that there is no feasible or prudent alternative.

##### **D-2 Lease Stipulation**

**Objective:** Minimize surface impacts from exploratory drilling.

**Requirement/Standard:** Exploratory drilling shall be limited to temporary facilities such as ice pads, ice roads, ice airstrips, temporary platforms, etc., unless the lessee demonstrates that construction of permanent facilities such as gravel airstrips, storage pads, and connecting roads is environmentally preferable or necessary to carry out exploration more economically.

#### **E. Facility Design and Construction**

##### **E-2 Lease Stipulation**

**Objective:** Protect fish-bearing water bodies, water quality and aquatic habitats.

**Requirement/Standard:** The design and location of permanent oil and gas facilities within 500 feet of fish-bearing or 100 feet of non-fish-bearing water bodies will only be approved on a case-by-case basis if the lessee can demonstrate that impacts to fish, water quality, and aquatic and riparian habitats are minimal. (Note: Also refer to Area-Specific Stipulations and ROP's for Rivers (Stipulation K-1) and Deep Water Lakes (Stipulation K-2).)

##### **E-3 Lease Stipulation**

**Objective:** Maintain free passage of marine and anadromous fish, and protect subsistence use and access to traditional subsistence hunting and fishing.

**Requirement/Standard:** Causeways and docks are prohibited in river mouths or deltas. Artificial gravel islands and bottom-founded structures are prohibited in river mouths or active stream channels on river deltas. Causeways, docks, artificial islands, and bottom-founded structures shall be designed to ensure free passage of marine and anadromous fish and to prevent significant changes to nearshore oceanographic circulation patterns and water quality characteristics. A monitoring program may be required to address the objectives of water quality and free passage of fish.

## **G. Oil Field Abandonment**

### **G-1 Lease Stipulation**

**Objective:** Ensure the final disposition of the land meets the current and future needs of the public.

**Requirement/Standard:** Upon abandonment or expiration of the lease, all oil- and gas-related facilities shall be removed and sites rehabilitated to as near the original condition as practicable, subject to the review of the AO. The AO may determine that it is in the best interest of the public to retain some or all facilities.

## **J. Endangered Species Act Section 7 Consultation Stipulation**

### **J-1 Lease Stipulation**

The lease area may now or hereafter contain plants, animals, or their habitats determined to be threatened, endangered, or other special status species. BLM may recommend modifications to exploration and development proposals to further its conservation and management objective to avoid BLM-approved activity that will contribute to a need to list such a species or their habitat. BLM may require modifications to or disapprove proposed activity that is likely to result in jeopardy to the continued existence of a proposed or listed threatened or endangered species or result in the destruction or adverse modification of a designated or proposed critical habitat. BLM will not approve any ground-disturbing activity that may affect any such species or critical habitat until it completes its obligations under applicable requirements of the Endangered Species Act as amended, 16 U.S.C. § 1531 et seq., including completion of any required procedure for conference or consultation.

## **K. Area-Specific Lease Stipulations and Required Operating Procedures**

### **K-1 Lease Stipulation—Rivers**

**Objective:** Minimize the disruption of natural flow patterns and changes to water quality; the disruption of natural functions resulting from the loss or change to vegetative and physical characteristics of floodplain and riparian areas; the loss of spawning, rearing or over-wintering habitat for fish; the loss of cultural and paleontological resources; the loss of raptor habitat; impacts to subsistence cabin-and-camp-sites; the disruption of subsistence activities; and impacts to scenic and other resource values. (See ROP D-1 for restrictions on exploration activities.)

**Requirement/ Standard:** Permanent oil and gas facilities, including gravel pads, roads, airstrips, and pipelines, are prohibited in the stream bed and adjacent to the rivers listed below at the distances identified. These setbacks are measured from the centerline of the river as determined by the current hydrology at the time of application. The standard setback is ½ mile and increased to ¾ mile where subsistence cabins and campsites are numerous. Along the Colville River and a portion of the Ikpikpuk a 1-mile setback is required to protect important raptor habitat. (For locations along rivers where setback distances change, see Map 20 in the Final Northwest National Petroleum Reserve-Alaska Integrated Activity Plan/Environmental Impact Statement). On a case-by case basis, and in consultation with Federal, State, and North Slope Borough regulatory and resource agencies (as appropriate, based on agency legal authority and jurisdictional responsibility), essential pipeline and road crossings perpendicular to the main channel will be permitted (unless noted otherwise) through setback areas. The above setbacks may not be practical within river deltas. In these situations, permanent facilities shall be designed to withstand a 200-year flood event.

a) Colville River: a 1-mile setback from the northern bluff (or bank if there is no bluff) of the Colville River extending the length of that portion of the river within the Planning Area. Road

crossings intended to solely support oil and gas activities are prohibited. Note: This provision does not apply to intercommunity or other permanent roads constructed with public funds for general transportation purposes. This preserves the opportunity to plan, design, and construct public transportation systems to meet the economic, transportation, and public health and safety needs of the State of Alaska and/or communities within NPR-A.

b) Ikpiuk River: a  $\frac{3}{4}$ -mile setback from the centerline of the Ikpiuk River extending from the mouth south to Sec. 19, T7N, R11W, UM. From Sec. 19, T7N, R11W, UM to Sec. 4 T3N, R12W, UM, a 1-mile setback is required. Beginning at Sec. 4 T3N, R12W, UM, a  $\frac{1}{2}$ -mile setback will be required to the confluence of the Kigalik River and Maybe Creek.

c) Alaktak River: a  $\frac{3}{4}$ -mile setback from the centerline of the Alaktak River extending from the mouth to the Ikpiuk River.

d) Chipp River: a  $\frac{3}{4}$ -mile setback from the centerline of the Chipp River extending from the mouth to the Ikpiuk River.

e) Oumalik River: a  $\frac{3}{4}$ -mile setback from the centerline of the Oumalik River from the mouth upstream to Sec. 5, T8N, R14W, UM, and a  $\frac{1}{2}$ -mile setback from Sec. 5, T8N, R14W, UM, upstream to Sec. 2, T5N, R15W, UM.

f) Titaluk River: a  $\frac{1}{2}$ -mile setback from the centerline of the Titaluk River from the confluence with the Ikpiuk River upstream to Sec. 1, T2N, R22W, UM.

g) Kigalik River: a  $\frac{1}{2}$ -mile setback from the centerline of the Kigalik River from the confluence with the Ikpiuk River upstream to the Planning area boundary.

h) Maybe Creek: a  $\frac{1}{2}$ -mile setback from the centerline of the Maybe Creek from the confluence with the Ikpiuk River upstream to Sec. 8, T2S R6W, UM.

i) Topagoruk River: a  $\frac{3}{4}$ -mile setback from the centerline of the Topagoruk River from the mouth upstream to the confluence with Ishuktak Creek. A  $\frac{1}{2}$ -mile setback from each bank upstream from the confluence with the Ishuktak to Sec. 3, T7N, R17W, UM.

j) Ishuktak Creek: a  $\frac{1}{2}$ -mile setback from the centerline of Ishuktak Creek from the confluence with the Topagoruk River to Sec. 24, T8N, R16W, UM.

k) Meade River: a  $\frac{3}{4}$ -mile setback from the centerline of the Meade River upstream to Sec. 6, T6N, R21W, UM. A  $\frac{1}{2}$ -mile setback from each bank upstream from Sec. 6, T6N, R21W, UM to the Planning area boundary.

l) Usuktuk River: a  $\frac{3}{4}$ -mile setback from the centerline of the Usuktuk River upstream from the confluence with the Meade River to Sec. 36, T10N, R19W, UM.

m) Pikroka Creek a  $\frac{3}{4}$ -mile setback from the centerline of the Pikroka Creek upstream from the confluence with the Meade River to Sec. 11, T8N, R23W, UM.

n) Nigisakturik River: a  $\frac{3}{4}$ -mile setback from the centerline of the Nigisakturik River upstream from the confluence with the Meade River to Sec. 1, T11N, R25W, UM.

o) Inaru River: a  $\frac{3}{4}$ -mile setback from the centerline of the Inaru River from the mouth upstream to Sec. 17, T15N, R25W, UM.

p) Kucheak Creek: a  $\frac{3}{4}$ -mile setback from the centerline of Kucheak Creek from the confluence with the Inaru River upstream to Sec. 20, T13N, R24W, UM.

q) Avalik River: a  $\frac{1}{2}$ -mile setback from the centerline of the Avalik River along that portion of the river within the Planning area.

r) Niklavik Creek: a  $\frac{1}{2}$ -mile setback from the centerline of the Niklavik Creek from the confluence with the Inaru River upstream to Sec. 5, T17N, R21W, UM.

## **K-2 Lease Stipulation–Deep Water Lakes**

**Objective:** Minimize the disruption of natural flow patterns and changes to water quality; the disruption of natural functions resulting from the loss or change to vegetative and physical characteristics of deep water lakes; the loss of spawning, rearing or over wintering habitat for fish; the loss of cultural and paleontological resources; impacts to subsistence cabin- and camp-sites; and the disruption of subsistence activities.

**Requirement/ Standard:** Permanent oil and gas facilities, including gravel pads, roads, airstrips, and pipelines, are prohibited on the lake or lakebed and within  $\frac{1}{4}$  mile of the ordinary high water mark of any deep lake as determined to be in lake zone III, i.e., depth > 4 meters (Mellor, 1985). On a case-by case basis, and in consultation with Federal, State and North Slope Borough regulatory and resource agencies (as appropriate based on agency legal authority and jurisdictional responsibility), essential pipeline, road crossings and other permanent facilities may be permitted through or in these areas where the lessee can demonstrate on a site-specific basis that impacts would be minimal or it is determined that there is no feasible or prudent alternative.

## **K-3 Lease Stipulation–Dease Inlet, Admiralty Bay, Elson Lagoon, and Associated Barrier Islands**

Lease stipulations for Dease Inlet, Admiralty Bay, Elson Lagoon, and the Barrier Islands, contain specific criteria that have been incorporated into stipulation language. Because of sensitive biological resources and/or subsistence concerns of Dease Inlet, Admiralty Bay, Elson Lagoon, and inland of the Barrier Islands, the standard(s) for exploration and development activities are set high with the burden of proof resting with the lessee to demonstrate to the AO that granting an approval is warranted.

**Objective:** Protect fish and wildlife habitat, preserve air and water quality, and minimize impacts to traditional subsistence activities and historic travel routes on Dease Inlet, Admiralty Bay, and Elson Lagoon.

**Requirement/Standard (Exploration):** Oil and gas exploration operations (e.g., drilling, seismic exploration, and testing) are not allowed on Dease Inlet, Admiralty Bay, and Elson Lagoon (including natural and barrier islands), between May 15 and October 15 of each season. Requests for approval of any activities must be submitted in advance and must be accompanied by evidence and documentation that demonstrates to the satisfaction of the Authorized Office that the actions or activities meet all of the following criteria:

a) Exploration activities will not unreasonably conflict with traditional subsistence uses or significantly impact seasonally concentrated fish and wildlife resources.

b) There is adequate spill response capability to effectively respond during periods of broken ice and/or open water, or the availability of alternative methods to prevent well blowouts during periods when adequate response capability cannot be demonstrated. Such alternative methods may include improvements in blowout prevention technology, equipment and/or changes in operational procedures and "top-setting" of hydrocarbon-bearing zones.

c) Reasonable efforts will be made to avoid or minimize impacts related to oil spill response activities, including vessel, aircraft, and pedestrian traffic will be conducted to minimize additional impacts or further compounding of "direct spill" related impacts on area resources and subsistence uses.

d) The location of exploration and related activities shall be sited so as to not pose a hazard to navigation by the public using high-use traditional subsistence-related travel routes into and through Dease Inlet, Admiralty Bay and Elson Lagoon, as identified by the North Slope Borough, recognizing that marine and nearshore travel routes change over time, subject to shifting environmental conditions.

e) Before conducting open water activities, the lessee shall consult with the Alaska Eskimo Whaling Commission and the North Slope Borough to minimize impacts to the fall and spring subsistence whaling activities of the communities of the North Slope.

**Requirement/Standard (Development):** With the exception of linear features such as pipelines, no permanent oil and gas facilities are permitted on or under the water within  $\frac{3}{4}$  mile seaward of the shoreline (as measured from mean high tide) of Dease Inlet, Admiralty Bay, and Elson Lagoon or the natural islands (excluding Barrier Islands). Elsewhere, permanent facilities within Dease Inlet, Admiralty Bay, and Elson Lagoon will only be permitted on or under the water if they can meet all the following criteria:

f) Design and construction of facilities shall minimize impacts to traditional subsistence uses, travel corridors, seasonally concentrated fish and wildlife resources.

g) Daily operational activities, including use of support vehicles, watercraft, and aircraft traffic, alone or in combination with other past, present, and reasonably foreseeable activities, shall be conducted to minimize impacts to traditional subsistence uses, travel corridors, and seasonally concentrated fish and wildlife resources.

h) The location of oil and gas facilities, including artificial islands, platforms, associated pipelines, ice or other roads, bridges or causeways, shall be sited and constructed so as to not pose a hazard to navigation by the public using traditional high-use subsistence-related travel routes into and through Dease Inlet, Admiralty Bay and Elson Lagoon as identified by the North Slope Borough.

i) Demonstrated year-round oil spill response capability, including the capability of adequate response during periods of broken ice or open water, or the availability of alternative methods to prevent well blowouts during periods when adequate response capability cannot be demonstrated. Such alternative methods may include seasonal drilling restrictions, improvements in blowout prevention technology, equipment and/or changes in operational procedures, and "top-setting" of hydrocarbon-bearing zones.

j) Reasonable efforts will be made to avoid or minimize impacts related to oil spill response activities, including vessel, aircraft, and pedestrian traffic that add to impacts or further compound "direct spill" related impacts on area resources and subsistence uses.

k) Before conducting open water activities, the lessee shall consult with the Alaska Eskimo Whaling Commission and the North Slope Borough to minimize impacts to the fall and spring subsistence whaling activities of the communities of the North Slope

**K-6 Lease Stipulation—Coastal Areas**

**Objective:** Minimize hindrance or alteration of caribou movement within caribou coastal insect-relief areas; to prevent contamination of marine waters; loss of important bird habitat; alteration or disturbance of shoreline marshes; and impacts to subsistence resources activities.

**Requirement/Standard:** In the Coastal Area, permanent oil and gas facilities, including gravel pads, roads, airstrips, and pipelines established to support exploration and development activities shall be located at least  $\frac{3}{4}$  mile inland from the coastline to the extent practicable. Where, as a result of technological limitations, economics, logistics, or other factors, a facility must be located within  $\frac{3}{4}$  mile inland of the coastline, the practicality of locating the facility at previously occupied sites, such as the former Cape Simpson, Peard Bay, or Wainwright DEW-line sites, shall be considered. Use of existing sites within  $\frac{3}{4}$  mile of the coastline shall also be acceptable where it is demonstrated that use of such sites will reduce impacts to shorelines or otherwise be environmentally preferable. All lessees/permittees involved in activities in the immediate area must coordinate use of these new or existing sites with all other prospective users.

**K-8 Lease Stipulation—Kasegaluk Lagoon Special Area**

**Objective:** Protect the habitat of the fish, waterfowl, and terrestrial and marine wildlife resources of Kasegaluk Lagoon, and protect traditional subsistence uses and public access to and through Kasegaluk Lagoon for current and future generations of North Slope residents.

**Requirement/Standard:** Within the Kasegaluk Lagoon Special Area, oil and gas leasing is approved subject to the decision to defer the implementation of oil and gas leasing in the "Leasing Deferral Area." When leasing is implemented, no permanent oil and gas facilities are permitted within the boundary of the Special Area. Geophysical (seismic) exploration is authorized subject to the terms and conditions provided in other applicable ROP's. No restrictions are imposed on traditional subsistence activities and access for subsistence purposes.